## **REMARKS**

The Office Action in the above-identified application has been carefully considered and this amendment has been presented to place this application in condition for allowance.

Accordingly, reexamination and reconsideration of this application are respectfully requested.

Claims 1-9, 11, 19-27, 29, 37-45, 47, 55-63, 65 and 73 are in the present application. It is submitted that these claims were patentably distinct over the prior art cited by the Examiner, and that these claims were in full compliance with the requirements of 35 U.S.C. § 112. The changes to the claims, as presented herein, are not made for the purpose of patentability within the meaning of 35 U.S.C. sections 101, 102, 103 or 112. Rather, these changes are made simply for clarification and to round out the scope of protection to which Applicants are entitled. Claims 10, 12-18, 28, 30-36, 46, 48-54, 64, and 66-72 are canceled.

The drawings were objected to because Figures 1-10c were not designated as being prior art. In response, Applicants have provided replacement drawing sheets labeling Figures 1-10c as PRIOR ART. Accordingly, Applicants believe this objection has been overcome.

The Specification was objected to because the title of the invention was not deemed as being descriptive. In response, Applicants have amended the title to be descriptive of the claimed invention. Accordingly, Applicants believe this objection has been overcome.

Claims 1-2, 9-11, 19-20, 27-29, 37-38, 45-47, 55-56, 63-65, and 73 were rejected under 35 U.S.C. § 102(e) as being anticipated by Matsumoto et al. (U.S. Patent 6,677,992). The

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present invention generates "compensated images by subtracting a positive valued compensation amount from each image; said positive valued compensation amount being calculated by multiplying a level average of each image by a coefficient based on the corresponding exposure condition." (Claims 1, 19, 37, 55, and 73) This compensation processing is implemented by the configuration shown in Figure 13; performing the steps shown in Figure 14. Specifically, subtractor 18 is used to subtract a compensation amount (which always has a positive value) from each image. The compensation amount is the product of the mean level average or each image and a coefficient having a value between 0 and 1, as determined by the exposure condition. (Specification page 24, lines 2-14) By contrast, Matsumoto discloses using an adder 29 to add first and second weighted image signals 27, 28 (Figure 2, Abstract); rather than subtracting a compensation amount from each image as required in the present invention. Moreover, Matsumoto imposes a linking condition that "the sum of the [two] weights is 1." (Abstract) Hence, Matsumoto does not meet the limitation "subtracting a positive valued compensation amount from each image" as recited in the present claims. Also, Matsumoto uses two linked weights for the two images rather than distinct coefficients for each image as in the present invention. Therefore, for at least these reasons, Matsumoto fails to anticipate the present invention and the rejected claims should now be allowed.

Claims 3-5, 21-23, 39-41, and 57-59 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Matsumoto in view of Fukuda et al. (U.S. Patent 6,278,490). Claims 6-8, 24-26, 42-44, and 60-62 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Matsumoto in view of Sanner (U.S. Patent 4,757,386). However, Fukuda and Sanner are relied upon solely to meet limitations in various dependent claims. However, since the rejected

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dependent claims inherit the limitations of independent claims 1, 19, 37, and 55, the rejection

based on the additional references to Fukuda and Sanner should be withdrawn in view of the

foregoing discussion.

In view of the foregoing amendment and remarks, it is respectfully submitted that the

application as now presented is in condition for allowance. Early and favorable reconsideration

of the application are respectfully requested.

No additional fees are deemed to be required for the filing of this amendment, but if such

are, the Examiner is hereby authorized to charge any insufficient fees or credit any overpayment

associated with the above-identified application to Deposit Account No. 50-0320.

If any issues remain, or if the Examiner has any further suggestions, he/she is invited to

call the undersigned at the telephone number provided below. The Examiner's consideration of

this matter is gratefully acknowledged.

Respectfully submitted,

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